

Wright, Gary (USATXW)

From: Wright, Gary (USATXW)
Sent: Wednesday, February 16, 2011 12:22 PM
To: 'David S. Gragg'
Subject: RE: AGE Refining (Case No. 10-50501)

Dear David:

Thanks for your email. I contacted DFAS and checked into their questions and concerns. Their primary concern is that they want to be sure that any purchaser intends (and is able) to continue performance under the existing government contracts. Beyond that, the government has its usual concerns regarding the assignment of government contracts. As you probably know, government contracts aren't typically assignable without government approval. In order to approve assignment, DFAS would ask that any purchaser be required to enter into a novation agreement that is acceptable to the US. I can provide you a copy of the form novation agreement that is normally used if you like. To the extent the Trustee has identified a stalking horse or high bid, DFAS would like to know the identity of such entities so it can perform a preliminary check and make sure they may be approved as government contractors.

Additionally, there is the issue of a barrel (or two) of a certain fuel additive that is in possession of the Debtor, but is property of the United States. My understanding is that the additive is used in preparing the JPTS fuel under one of the existing contracts. The information provided to me indicated that each barrel of this additive has a value of approximately \$50,000.00. We want to make sure that the purchaser knows the additive is not included in the sale, but is property of the US. Of course, that additive would remain at the site, provided the purchaser continues to perform under the JPTS contract. Thanks again for your email. I apologize for not getting back to you sooner.

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From: David S. Gragg [<mailto:dgragg@langleybanack.com>]
Sent: Friday, February 11, 2011 3:25 PM
To: Wright, Gary (USATXW)
Cc: Steven R Brook; Eric Moeller (ericjmoeller@gmail.com)
Subject: AGE Refining (Case No. 10-50501)

Dear Gary,



I don't believe you and I have ever spoken about this matter. I represent Eric Moeller, the Chapter 11 Trustee, who was appointed last summer in the AGE Refining case. I presume you will be involved at some point for the government in this case.

Since his appointment, Mr. Moeller has overseen and implemented significant operational improvements to the Refinery.

As you probably have seen from the docket, we are in the midst of a sales process regarding the refinery. One of the assets of the company are its various contracts with the U.S. government primarily regarding providing various types of jet fuel to the government. I am sure it will be very important to any buyer to keep the existing contracts in place.

I wanted to reach out to you at this early stage to see if you have any questions regarding this matter. Mr. Moeller and I would be happy to discuss this with you and whoever. We want to do everything possible to keep the government informed and happy as we work through this process.

Sincerely,

David S. Gragg
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